

AMENDED IN ASSEMBLY SEPTEMBER 6, 2001

AMENDED IN ASSEMBLY JUNE 19, 2001

AMENDED IN SENATE APRIL 19, 2001

AMENDED IN SENATE APRIL 16, 2001

**SENATE BILL**

**No. 929**

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**Introduced by Senator Machado**  
*(Coauthor: Assembly Member Pescetti)*

February 23, 2001

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An act to amend Sections 7139, 7139.1, 7139.2, 7139.3, 7139.4, 7139.5, 7139.8, and 7139.9 of, and to amend the heading of Article 8.5 (commencing with Section 7139) of Chapter 9 of Division 3 of, the Business and Professions Code, relating to contractors.

LEGISLATIVE COUNSEL'S DIGEST

SB 929, as amended, Machado. Contractors.

Existing law, the Contractors' State License Law, provides that the Contractors' State License Board in the Department of Consumer Affairs is responsible for the licensing and regulation of contractors. The board is responsible for promulgating regulations assessing civil penalties for violations of this law. Existing law requires fees and penalties collected pursuant to this law to be deposited in the Contractors' License Fund. The Construction Management Education Account is an account in the Contractors' License Fund that contains funds used to promote construction management education.

This bill would change the name of the Construction Management Education Account to the "Construction Education Account," and would make funds in the account available for construction education

programs *upon appropriation by the Legislature*. The bill would authorize the board to transfer specified revenue *from the Contractors License Fund* to the Construction Education Account *on an annual basis*.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. The heading of Article 8.5 (commencing with  
2 Section 7139) of Chapter 9 of Division 3 of the Business and  
3 Professions Code is amended to read:

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5 Article 8.5. The Construction Education Sponsorship Act  
6 SEC. 2. Section 7139 of the Business and Professions Code  
7 is amended to read:

8 7139. This article shall be known as the Construction  
9 Education Sponsorship Act.

10 SEC. 3. Section 7139.1 of the Business and Professions Code  
11 is amended to read:

12 7139.1. The Legislature hereby finds and declares all of the  
13 following:

14 (a) There is a demand and increasing need for construction  
15 education programs and resources within the postsecondary  
16 education system that prepare graduates for construction  
17 operations and companies regulated by the Contractors' State  
18 License Law and enforced by the Contractors' State License  
19 Board.

20 (b) Although construction education programs do exist within  
21 the state university system, these programs are woefully  
22 underfunded and insufficiently funded to provide training on  
23 state-of-the-art information systems for either graduates or  
24 extension programs for continuing education of licensed  
25 contractors. Construction industry associations have provided  
26 some assistance through direct grants and scholarships, but the  
27 industrywide service of these programs and the need for additional  
28 assistance mandates broad based industrywide support.

29 (c) It is the intent of the Legislature that by enabling contractors  
30 to designate a portion of their licensure fee and by providing a  
31 format for contractors to contribute funds to construction



1 education, this article will receive broad based industry support.  
2 In addition, this article allows the contractor to demonstrate the  
3 importance of construction education. This assistance will enable  
4 greater development of construction education curricula and will  
5 improve the overall quality of construction by providing  
6 construction training to California licensed contractors and their  
7 current and future personnel.

8 SEC. 4. Section 7139.2 of the Business and Professions Code  
9 is amended to read:

10 7139.2. (a) There is hereby created the Construction  
11 Education Account (CEA) as a separate account in the  
12 Contractors' License Fund for the purposes of construction  
13 education. Funds in the account shall be available for the purposes  
14 of this article upon appropriation by the Legislature. Any  
15 reference in any law to the Construction Management Education  
16 Account shall be deemed a reference to the Construction  
17 Education Account.

18 (b) The Contractors' State License Board shall allow a  
19 contractor to contribute twenty-five dollars (\$25) or more to the  
20 Construction Education Account at the time of the contractor  
21 license fee payment. The license fee form shall clearly display this  
22 alternative on its face and shall clearly inform the licensee that this  
23 provision is a contribution to the Construction Education Account  
24 and is in addition to the fees.

25 (c) The board may accept grants from federal, state, or local  
26 public agencies, or from private foundations or individuals, in  
27 order to assist it in carrying out its duties, functions, and powers  
28 under this article. Grant moneys shall be deposited into the  
29 Construction Education Account.

30 ~~(d) The board may transfer revenue received from other~~  
31 ~~funding sources, including, but not limited to, donations,~~  
32 ~~penalties, settlements, and gifts, to the Construction Education~~  
33 ~~Account for the purpose of promoting education in the~~  
34 ~~construction industry. The transfer of revenue to the Construction~~  
35 ~~Education Account shall not exceed 1 percent of the board's~~  
36 ~~annual operating budget.~~

37 *(d) On an annual basis the board may transfer up to one percent*  
38 *of revenues accruing to the Contractors' License Fund in the*  
39 *previous fiscal year to the Construction Education Account for*  
40 *purposes of promoting education in the construction industry.*

1 SEC. 5. Section 7139.3 of the Business and Professions Code  
2 is amended to read:

3 7139.3. (a) The board may award grants to qualified public  
4 postsecondary educational institutions for the support of courses  
5 of study in construction education.

6 (b) Any organization of contractors, or organization of  
7 contractor organizations, incorporated under Division 2  
8 (commencing with Section 5000) of the Corporations Code may  
9 request the board to award grants pursuant to subdivision (a)  
10 directly to qualified public postsecondary educational institutions  
11 of its choice. However, the total amount of money that may be  
12 awarded to one public postsecondary educational institution  
13 pursuant to subdivision (a) may not exceed an amount equal to 25  
14 percent of the total funds available each year under this article.

15 (c) The board shall establish an advisory committee to  
16 recommend grant awards. The advisory committee shall be known  
17 as the Construction Education Account Advisory Committee and  
18 shall consist of 11 members, with at least one representative from  
19 each of the following: Associated General Contractors of  
20 California, Associated Builders and Contractors, California  
21 Building Industry Association, National Electrical Contractors  
22 Association, Plumbing-Heating-Cooling Contractor's  
23 Association, Southern California Contractor's Association,  
24 Associated General Contractors of San Diego, Engineering and  
25 Utility Contractors Association, Engineering Contractors  
26 Association, California Sheet Metal and Air Conditioning  
27 Contractor's Association, and one member representing the  
28 California State University and University of California  
29 construction management programs accredited by the American  
30 Council for Construction Education. Advisory committee  
31 member terms shall be for three years and the representatives shall  
32 be appointed by each identified group. Members of the advisory  
33 committee shall not receive per diem or reimbursement for  
34 traveling and other expenses pursuant to Section 103.

35 (d) The mission of the Construction Education Account  
36 Advisory Committee is to maintain, and increase the quality and  
37 availability of, education programs for the construction industry.  
38 The primary focus is to provide financial resources not presently  
39 available to accredited construction education programs in  
40 California colleges and universities to maintain and upgrade

1 facilities and provide greater access by the industry to modern  
2 construction standards and management practices. The advisory  
3 committee shall do all of the following:

4 (1) Confirm the qualifications of programs applying for grants.

5 (2) Award less than full grants when the account has  
6 insufficient funds to award full grants to all qualifying programs.

7 (3) Receive and review year-end reports of use and impact of  
8 funds.

9 (4) Affirm applications for American Council for Construction  
10 Education accreditation and, when funds are available, award  
11 grants to complete the accreditation process.

12 (5) Promote close ties between feeder junior colleges and  
13 four-year construction education programs.

14 (6) Support development of new educational programs with  
15 specific emphasis on outreach to the construction industry at large.

16 SEC. 6. Section 7139.4 of the Business and Professions Code  
17 is amended to read:

18 7139.4. Qualified public postsecondary educational  
19 institutions shall provide postsecondary construction education  
20 programs at the baccalaureate or higher level that either award or  
21 provide one of the following:

22 (a) A bachelor of science construction management degree  
23 accredited by the American Council for Construction Education.

24 (b) A degree with an American Council for Construction  
25 Education accredited option, including, but not limited to,  
26 engineering technology and industrial technology.

27 (c) A bachelor of science or higher degree program  
28 documenting placement of more than 50 percent of their graduates  
29 with California licensed contractors. The placement of a person  
30 who holds a master or doctorate degree in the faculty of a  
31 construction program shall be counted as though placed with a  
32 California licensed contractor.

33 (d) The development of a construction education curriculum to  
34 meet the American Council for Construction Education criteria.

35 SEC. 7. Section 7139.5 of the Business and Professions Code  
36 is amended to read:

37 7139.5. Depending on the fund balance, grants shall be made  
38 pursuant to this article to public postsecondary educational  
39 institutions that meet the qualifications specified in Section 7139.4  
40 in the following amounts:

1 (a) Up to three thousand dollars (\$3,000) per graduate during  
2 the past academic year for institutions qualifying under  
3 subdivision (a) of Section 7139.4.

4 (b) Up to three thousand dollars (\$3,000) per graduate during  
5 the past academic year for institutions qualifying under  
6 subdivision (b) of Section 7139.4.

7 (c) Up to three thousand dollars (\$3,000) per graduate placed  
8 with California licensed contractors during the past academic year  
9 for institutions qualifying under subdivision (c) of Section 7139.4.  
10 These funds shall be used for the purpose of becoming accredited  
11 by the American Council for Construction Education and shall be  
12 available for up to three years. The board may continue to provide  
13 this grant to an institution that in its judgment is meeting the intent  
14 of this act and is continuing its development towards accreditation.

15 (d) Institutions qualifying under subdivision (d) of Section  
16 7139.4 may receive a grant in an amount up to twenty-five  
17 thousand dollars (\$25,000) per year for up to two years.  
18 Thereafter, these institutions may receive grants based upon the  
19 criteria described in subdivisions (a) to (c), inclusive. The board  
20 may continue to award a grant to an institution that in its judgment  
21 is meeting the intent of this article and is continuing its  
22 development towards accreditation.

23 SEC. 8. Section 7139.8 of the Business and Professions Code  
24 is amended to read:

25 7139.8. The president of each public postsecondary  
26 educational institution receiving a grant under this article shall  
27 submit, with its respective request for a grant each year following  
28 the initial year for which grants are issued, a report to the board  
29 delineating the amount of the past grant awarded from the  
30 Construction Education Account to that institution and the  
31 utilization of those funds. The report shall include, but not be  
32 limited to, the following:

33 (a) The number of graduates placed with the California  
34 licensed contractors during the previous academic year.

35 (b) The expected enrollment in construction education courses  
36 in the upcoming academic year.

37 (c) Continuing education and extension courses offered during  
38 the previous academic year and their enrollments.

39 SEC. 9. Section 7139.9 of the Business and Professions Code  
40 is amended to read:

1       7139.9. The board may allocate up to fifteen thousand dollars  
2 (\$15,000) per year from the Construction Education Account for  
3 the administration of this article.

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